1. Illegal logging in the Netherlands

1.1 Introduction
Forest cover in The Netherlands stands at some 11.8% of total land area (FAO State of the Worlds Forests 2003). The State Forest Service, other government bodies and a number of conservation foundations together manage about two-thirds of the all forests in the Netherlands. Private forest owners manage the remaining one-third. About one third of forests in the Netherlands are certified for sustainable management. Private forest owners too, are increasingly certifying their forests through group certification schemes. The most commonly used forest certification scheme in The Netherlands is that of the Forest Stewardship Council.

National timber production in the Netherlands amounts to some 0.8 million cubic metres round wood equivalents (RWE) per year and is to a large extent derived from the maintenance of forests managed for recreational and conservation purposes. Total imports of timber and timber products are much larger at some 20.1 million cubic metres. This figure includes pulp and paper. Some 5.6 million cubic metres of all timber imported or produced domestically is exported to other countries. Important to note is that the trade in timber and timber products within the European Union is far larger than that with countries outside the European Union.

Table 1: Total timber production, imports, exports and consumption in the Netherlands in 2002 (x million cubic metres round wood equivalents)

<table>
<thead>
<tr>
<th>Product</th>
<th>Production</th>
<th>Imports</th>
<th>Exports</th>
<th>Domestic consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total timber &amp; timber products</td>
<td>0.8</td>
<td>20.1</td>
<td>5.6</td>
<td>14.4</td>
</tr>
<tr>
<td>Amount of total of tropical origin</td>
<td>-</td>
<td>1.0</td>
<td>0.2</td>
<td>0.8</td>
</tr>
<tr>
<td>Proportion of tropical origin</td>
<td>-</td>
<td>5%</td>
<td>3.6%</td>
<td>5.5%</td>
</tr>
</tbody>
</table>

Source: Kerngegevens Bos en Hout, December 2003; Stichting Bos en Hout, The Netherlands. See also www.probos.net

1.2 Control Mechanisms against illegal logging
Illegal logging is not a significant issue within the Netherlands as the country has a small forest sector and relatively strict control mechanisms on the harvesting of trees. Official control mechanisms against illegal logging within the Netherlands are in place via public legislation like the Netherlands Forest Law, associated environmental acts and provincial and municipal regulations. The State Forest Service, provincial and municipal services as
well as a number of landowning conservation foundations monitor much of the forest. Within Netherlands society the illegal cutting of trees is generally not accepted and subject to quite strict social controls.

1.3 What mechanisms are in place to monitor or estimate their importance?
The there is no systematic attempt to estimate the level of illegal logging within the Netherlands, as this appears to be a minor issue.

1.4 What is the volume of illegally logged wood as a percent of removals?
The volume of illegally logged wood in the Netherlands as a percentage of total removals is thought to be less than 1%.

2. Trade in products of illegal logging
Since the early 1990’s public debate in the Netherlands has become increasingly concerned with the imports of unsustainably harvested timber. As a result there are various forms of self-regulation against the imports of timber from possibly unsustainable sources via a variety of certification schemes, codes of conduct, covenants and procurement policies on the part of private businesses, lower authorities and housing corporations. According to estimates by the Netherlands Timber Trade Association (NTTA) roughly 10% of all timber used in the Netherlands comes from certified sustainably managed forests and a controlled chain of custody. The government policy target for 2005 is to have 25% of all timber on the Netherlands market derived from sustainably managed sources. This should be achievable as by far the largest part of all imports of timber and timber products into the Netherlands is from countries with temperate forests where certifications schemes have generally been successful.

Given that little illegal logging occurs within the Netherlands and that the certification in temperate forests is generally progressing well, the focus of public attention lies with the imports of timber from tropical sources. Tropical timber imports amount to some 5% of total timber and timber product imports in 2002. In recent years the debate has shifted from sustainability issues to also incorporate the legality issue as a first but crucial step towards achieving sustainability. A key problem here is the fact that the notion of ‘legality’ is difficult to define. There is also a growing awareness that illegal logging is not confined to tropical countries only, as forest practices in a number of non-tropical countries also deserve scrutiny.

2.1 Are you aware of any of the following:

2.1.1 Smuggling of round wood or forest products (import or export) The smuggling of timber and timber products is not likely to be a big issue in the Netherlands, given the strictness of import and export controls at the main entry points, which are the harbours of Rotterdam, Vlissingen, Delfzijl and Amsterdam.

2.1.2 False declaration of goods (value, species, origin) False customs declaration of goods occurs. This usually involves value, volume, species, CITES-listing and origin. In recent years a number of incidents with timber species listed on appendices II and III have taken place. No specific data are available on such occurrences as proportion of total trade flows.
2.1.3 Other trade related falsification (e.g. falsification of certificates of sustainable forest management) As stated above, the tampering with trade and management certificates might be an issue. With regard to certificates for sustainable forest management the key problem at the moment appears to be the large number of different forest certificates on the market. These certificates make a variety of claims as to the quality of their forest management, which are generally difficult to verify in practice. As a result of this issue civil society organisations, the timber trade and government, are in the process of updating the existing Minimum Assessment guidelines for sustainable produced timber and developing a verification protocol to assess the quality of such claims. The extent to which some of the better-known certification schemes suffer from falsification of certificates is unknown.

2.2 What mechanisms are in place to monitor discrepancies between declared imports and exports and actual imports and exports?
In the future more and better information may also be gleaned from the analysis and interpretation of international timber trade statistics. Especially the work of the UNECE and the ITTO on the analysis of trade flows may reveal discrepancies between export and import figures.

2.3 In your opinion what is the volume exported and imported of illegally-sourced wood as percentage of total woods?
With regard to imports of illegally harvested timber there are no formal monitoring systems due to 1) a lack of clarity of the definition of legality/illegality; and 2) a lack of verification of origin systems. The main estimates for illegality are derived from non-governmental organisations that base their estimates on case studies extrapolated to overall trade flows. In 1999 Friends of the Earth concluded that roughly 50% of all tropical timber imported into the Netherlands was of illegal origin. This figure was also used during a 2003 Greenpeace campaign. If this estimate were applied to tropical timber imports into the Netherlands, some 2.5% of total timber and timber product imports into the Netherlands would be of illegal origin (see table 1).

These estimates, however, are highly dependent on the nature and strictness of the legality definition used. Often the definitions used by non-governmental organisations incorporate a whole range of social issues related to for example the position and participation of indigenous and local communities, workers rights and land tenure arrangements. When using the apparently somewhat more restricted definition of illegal logging proposed by this questionnaire (“timber harvesting activities that fail to respect national and sub-national laws and norms that regulate such harvesting operations”) the trade in illegal tropical forest products into the Netherlands may be of a more limited nature than estimated by Friends of the Earth and Greenpeace. Given the difficulty in defining legality, the complexity of the chain involved, and the fact that illegal logging may also occur in temperate forest countries, it is likely that the volume of illegally-sourced timber lies in the order of 1-5% of the total volume of timber and timber products imported into the Netherlands.
2.4 If there are significant volumes or values involved, please describe what is known about the type of fraud, its estimated volume and its causes.

The main legality issue is the fact that serious breaches of national and sub-national legislation take place in the countries of origin. A number of the key trading partners to the Netherlands can not yet provide sufficient guarantee of the legal origin of their timber.

A recent estimate by Probos of the occurrence of illegally harvested and/or traded timber among these key trading partners, based on a number of non-governmental organisation reports, scientific work and data provided by countries themselves suggests the following percentages of illegality:

Table 2: Estimated percentage of illegally harvested and/or traded timber and timber products from key timber-trading partners to the Netherlands

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage illegality</th>
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<tbody>
<tr>
<td>Indonesia</td>
<td>73 %</td>
</tr>
<tr>
<td>Malaysia</td>
<td>35%</td>
</tr>
<tr>
<td>Cameroon</td>
<td>50%</td>
</tr>
<tr>
<td>Gabon</td>
<td>70%</td>
</tr>
<tr>
<td>Ghana</td>
<td>34%</td>
</tr>
<tr>
<td>Brazilian Amazon</td>
<td>80%</td>
</tr>
<tr>
<td>Western Russia and Siberia</td>
<td>20%</td>
</tr>
<tr>
<td>Far Eastern Russia</td>
<td>50%</td>
</tr>
</tbody>
</table>

Source: Bos en Hout Berichten 2003: Nr 4. “Kappen met Illegaal Hout.” See also www.probos.net

3. Forest Law Enforcement, Governance and Trade policies

3.1 Is your country involved in any bilateral or multilateral initiatives on FLEGT?

The use of illegal and unsustainably produced timber is a growing political issue within the Netherlands. The Netherlands has since the beginning of the 1990’s invested heavily in the area of sustainable development and is one of the few donors committed to the Rio target of spending 0.1 percent of Gross National Product on environment and development programs.

As a result the Netherlands has since the 1990’s become one of the largest donors in the area of sustainable forest management in relation to poverty alleviation with an annual budget for such initiatives of about € 70 million per year. In the light of this effort to improve sustainable management of forests on the supply side it is increasingly difficult to explain to the public that the country is also a major importer of timber from potentially illegal sources.
As a small country open to trade the Netherlands favours the use of multilateral or at least EU wide approaches over bilateral agreements to tackle the problem of illegal logging. At the policy level the Netherlands supports

- The development of the EU FLEGT action plan and its Voluntary Partnership Agreements with key timber producing countries. The Netherlands also supports the development of FLEG and other regional forest initiatives in Asia, Russia en Africa;

- The use of green public procurement policies aiming to provide an incentive for those countries and timber traders that producing in a legal and sustainable manner. In June 2004 Dutch cabinet decided that timber purchases by central Government bodies would have to be of guaranteed legal origin and where possible from sustainably managed sources.

- Such measures are not restricted to central government. A number of municipalities, housing corporations and DIY chains are also actively engaged in developing green procurement policies.

- The development of additional measures that may help to ban conflict timber from war zones, to combat the trade in illegal timber by judicial means derived from anti-corruption and anti-money laundering legislation.

- The inclusion of tree species and associated forest management schemes under appendices I and II of the Convention on the International Trade in Endangered Species (CITES);

- The work of the international Tropical Timber Organisation (ITTO) in the field of Certification, Criteria & Indicators and Forest Law Enforcement, Governance and Trade;

- The work on sustainable forest management by the Ministerial Conference on the Protection of Forests in Europe (MCPFE) and in particular the activities related to Vienna Resolution 4 dealing with the need to take measures to combat illegal harvesting of forest products and related trade.

The Netherlands private sector is also active in developing measures against illegal timber. In January 2004 the Netherlands Timber Trade Association (NTTA) adopted a code of conduct, which binds its members to exclusively trade in timber from legal sources. The NTTA is also engaged in projects in Indonesia aiming to clean up its supply chain while it is also developing a legality verification protocol for its members.

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